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SECURITY INFORMATION

C E N T R A L I N T E L L I G E N C E A G E N C Y

16 August 1952

SUBJECT: NIE-35/2: PROBABLE DEVELOPMENTS IN INDOCHINA
THROUGH MID-1953

THE PROBLEM

To estimate the internal situation throughout Indochina and to estimate French and Chinese Communist capabilities and probable courses of action with respect to Indochina through mid-1953.

CONCLUSIONS

1. The outlook in Indochina through mid-1953 is for continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not score a decisive victory during this period.

2. We believe that France will continue its war effort in Indochina, but will attempt to transfer a progressively larger part

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of the growing economic and military burden of the war to the US, and to reduce its manpower commitments by developing native forces in Indochina.

3. We believe that France will seek to conduct a "holding action," and will avoid undertaking any aggressive military action which might, in the French estimation, provoke a Chinese Communist intervention in force.

4. We estimate that if the present situation in Korea continues or if a cease-fire agreement is concluded, the Chinese Communists will not invade Indochina during the coming year. We are unable to estimate what effect the expansion of the Korean conflict into a general Far Eastern war would have on Chinese Communist intentions with respect to Indochina.

5. We believe that the Chinese Communists will continue their present type of support to the Viet Minh, but will almost certainly not be able to provide the Viet Minh with sufficient support to enable them to win a decisive victory in Indochina.

6. However, we estimate that if present trends continue, the difficulties which France will face in supporting major military efforts in both Europe and Indochina and which the Associated States will face in gaining political and military strength, will in the longer run weaken the French Union's ability and determination to continue resistance in Indochina.

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DISCUSSION

I. THE CURRENT SITUATION

1. Since the publication of NIE-35/1, "Probable Developments in Indochina through Mid-1952," dated 3 March 1952, there has been no major change in the disposition or the relative numerical strength of the French Union and Viet Minh forces. French Union forces undertook clearing operations in the Tonkin Delta area during the spring months of 1952. Since that time seasonal rains have brought a greatly reduced level of combat activity in Tonkin, where ____ French Union regular troops currently confront an estimated ____ Viet Minh regular troops. Elsewhere in Indochina, the Viet Minh continue to conduct guerrilla warfare and have maintained sufficient pressure against French Union forces to prevent the transfer of forces to Tonkin. The Viet Minh for the most part still control those areas of Indochina held at the time of publication of NIE-35/1.

2. The French Union forces have made a slight gain over the Viet Minh in over-all combat effectiveness. French Union forces are now superior to the Viet Minh in unit fire power and material, a gain attributable principally to the increased delivery of US MDAP equipment. Such equipment is superior in quality to that being given to

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the Viet Minh by the Chinese Communists and is being delivered in approximately ____ times the volume.*

3. Chinese Communist logistic support to the Viet Minh appears to fluctuate considerably. During the last quarter of 1951 the Viet Minh are believed to have received about 2,000 tons of supplies. Deliveries probably fell considerably below this level in the first quarter of 1952, and despite an apparent increase since May 1952, the level of aid is not believed to have reached that of late 1951. Chinese Communist support, except for a few recent border forays by minor Chinese Communist forces against native guerrillas, appears still to be limited to logistic, technical, and advisory assistance.

4. The principal problem facing the Viet Minh appears to be a shortage of food, but minimum requirements are apparently being met by imports from Communist China and rice raids into the Tonkin Delta. The Viet Minh is having difficulty in exploiting its manpower

* As of 30 April 1952, a total of about \$347,000,000 had been expended by the US for military aid to Indochina (in addition to \$46,000,000 in economic assistance in FY's 1951 and 1952). Among the items shipped have been 657 combat vehicles, ____ aircraft, 5,565 trucks, 78,713 small arms and automatic weapons (including 1,464 rocket launchers), 1,400 mortars and artillery pieces, 18,000,000 rounds of ammunition of all types, 260,000 rockets and mines, and 3,869 radio sets.

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potential (approximately half the population of Tonkin, Annam, and Cochinchina), but appears to be replacing its combat losses. Viet Minh morale during the present period of relative inactivity is difficult to assess. Morale among rank and file Viet Minh military forces is believed to be only fair, but morale among higher military and political echelons is believed to be good. Whatever the state of morale, effective Communist control over Viet Minh-held territory is being maintained. Although little evidence on the point is available, cooperation between the Viet Minh and the Chinese Communists does not seem to be affected by any friction existing between them.

5. Within the Associated States, political instability has increased in Cambodia in recent months. The Cambodian wartime Premier, Song Ngoc Thanh, has denounced the regime as pro-French and has fled the country. The King has dismissed Premier Huy Kanthoul and has personally assumed direction of the government. Guerrilla activities by the Viet Minh and by dissident tribal groups have continued. Within Vietnam, the most important of the Associated States, a new government headed by Premier Nguyen Van Tam has recently taken office. Thus far, the new government has not brought about any improvement in the over-all political situation.

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II. FRENCH UNION CAPABILITIES AND PROBABLE COURSES OF ACTION

6. If France maintains its present war effort in Indochina and the Chinese Communists do not intervene in force, the capability of the French Union forces to resist Communist military pressure will probably improve slightly during the next year, largely as a result of the assimilation of US MDAF aid and the development of some experienced native military units and leadership. The French Union forces will probably during this period strengthen their control of the Tonkin Delta area. These forces may also be capable during this period of making forays outside the Tonkin perimeter to destroy Viet Minh military concentrations. French Union forces will not, however, have the capability to gain and maintain effective control over major areas of Viet Minh-held territory during the period of this estimate.

7. We believe that there will be little or no improvement in political strength within the Associated States in the foreseeable future. In Vietnam, the people will probably continue to be apathetic toward the Bao Dai regime. The Vietnamese as individuals do not recognize a personal stake in the war effort and apparently mistrust the French more than they fear the Communists. Vietnamese political

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stability and public support for the war effort would probably increase if the military situation of the French Union forces should improve greatly, or if Premier Tan should be able to carry out his proposed economic and political reforms. Chances favoring these developments are slight. Political instability will probably continue in Cambodia. No significant changes are foreseen in Laos, the most isolated and stable of the Associated States.

8. In the absence of Chinese Communist intervention, developments in Indochina will be primarily determined by the capabilities and intentions of metropolitan France. We believe that the considerations impelling France toward reducing its commitments in Indochina will prove, on balance, to be stronger than those inclining France toward maintaining or increasing its present commitments there. After an exhausting six-year war in Indochina, France is still confronted by a steady increase of the costs of the Indochina war which currently takes almost 1/3 of the total French military budget.* In terms of professional military manpower, the cost is even greater. This financial and manpower drain is seriously reducing France's ability to meet its NATO obligations and to maintain the power position on the continent which it considers necessary to balance a rearmed Germany.

* (Footnote on costs of Indochina war.)

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9. French intentions in Indochina are also influenced by the French fear of Chinese Communist intervention. The French are convinced that substantial French victories would bring about such intervention, with which the French, because of their limited capabilities, would be unable to cope. As a result, the French have apparently come to believe that they can no longer achieve a military decision in Indochina and that the Indochina problem can only be solved within the context of some form of over-all political settlement in the Far East, perhaps following the Korean war.

10. We believe that despite the forces impelling the French to reduce their commitments in Indochina, France will maintain the current scale of its effort in Indochina during the coming year. France will, however:

- a. Seek to conduct a "holding action" in Indochina. The French will probably not undertake any major offensive operations which might provoke Chinese Communist intervention.
- b. Continue, at the same time, to seek US-UK guarantees of direct military support should such intervention occur.

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- c. Simultaneously, continue efforts to prepare the ground for injecting the Indochina issue into any general political negotiations which might follow an armistice in Korea.
- d. Continue its attempts to transfer a progressively larger part of the growing economic and military burden of the war to the US.
- e. Accelerate its efforts to reduce its manpower commitments by developing native forces in Indochina.

III. VIET MINH AND CHINESE COMMUNIST CAPABILITIES AND COURSES OF ACTION

11. If the Chinese Communists continue to provide only logistic, advisory, and technical assistance, the Viet Minh will probably not be able to increase its strength or effectiveness significantly during the coming year. Viet Minh forces will also continue their tactics of harassment, infiltration, terrorism, and guerrilla warfare. They will also probably launch new frontal attacks on the French defense perimeter in Tonkin in September when the present rainy season ends. However, unless Chinese Communist troops move into Indochina in force, we believe that the Viet Minh will not be able to achieve a decisive victory in Tonkin or elsewhere in Indochina.

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12. The Chinese Communists will probably have the capability during the coming year to continue improvement of transportation facilities and airfields in south China, to continue stockpiling along the Indochina border, and to increase their present level of logistic support for the Viet Minh. If the present level of support is increased significantly, the Viet Minh capabilities for tactics described will be somewhat increased, but it almost certainly will not be possible for the Chinese Communists to provide sufficient logistic support to enable the Viet Minh to win a decisive victory in Indochina. The Chinese Communists will probably retain their present capability to commit and support logistically 150,000 Chinese Communist troops for an invasion of Indochina. This capability will probably not be materially affected by the continuation of Chinese Communist operations in Korea at current or expanded levels.

13. A Chinese force of 150,000, added to those of the Viet Minh, would probably be able to force French Union units to evacuate Tonkin before effective assistance could be brought to bear. The Chinese Communists now have, and will probably continue to have during the coming year, sufficient jet and piston aircraft, independent of operations in Korea, to enable them, if adequate air bases and facilities were available, to launch damaging attacks against French Union installations in Tonkin, and, with surprise, to neutralize the French Air

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Forces in Tonkin. At this time, however, there is no indication that the Chinese Communists have begun the necessary preparations in south China to permit the commitment of the CCAF to operations in Indochina. Approximately ____ months would be required to establish such facilities.

14. The Chinese Communists might undertake to invade Indochina during the coming year in any of the following circumstances: in the event of a global war or an expanded war in Korea; in the event of a Korean cease-fire agreement; or in the event that Communist leadership should anticipate that Western action threatened the security of Communist China.

15. We believe, however, that if the present situation in Korea continues or if a cease-fire agreement is concluded, the Chinese Communists will not invade Indochina during the coming year. Although the Chinese Communists probably have the capability successfully to invade Indochina, present evidence does not indicate that such an invasion is imminent. Moreover, the following considerations militate against a direct intervention by Chinese Communist military forces:

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- a. Present Communist strategy, while not bringing immediate victory in Indochina, appears nevertheless to be yielding considerable success. It diverts badly-needed French and US power from Europe with relatively little cost to the Communists. It may weaken the determination and ability of both the French and the Indochinese to continue resistance, and thus provide the Communists with an opportunity to aggravate differences among the Western Powers.
- b. Recent Western moves have probably made the Communist leadership aware that the West, and in particular the US, might retaliate against Communist China if Communist China should invade Indochina. On the other hand, Communist leadership is also aware that non-Communist opinion is divided as to the merits and timing of such retaliation. On balance, however, fear of such retaliation is probably a major deterrent to open Chinese Communist intervention in Indochina.

We believe that these considerations will continue to deter the Chinese Communists from intervening in Indochina even if a cease-fire agreement is reached in Korea.

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16. We believe, however, that during the period of this estimate the Chinese Communists will continue their present type of support to the Viet Minh, thus exerting constant pressure against the Associated States. The Chinese Communists may introduce "volunteer" troops. We estimate, however, that the probable policy of the Chinese Communists not to provoke major Western counteraction against mainland China will restrain them from committing "volunteers" in numbers sufficient to assure a decisive military victory for the Viet Minh.

17. We are unable to estimate what effect the expansion of the Korean conflict into a general Far Eastern war would have on Chinese Communist intentions with respect to Indochina.

IV. OUTLOOK

18. Through mid-1953, the outlook in Indochina is for a continued stalemate, with both sides playing a waiting game. We believe that the French Union forces may make some slight territorial gains, but will not score a decisive victory during this period.

19. However, we estimate that if present trends continue, the difficulties which France will face in supporting major military efforts in both Europe and Indochina and which the Associated States will face in gaining political and military strength, will in the longer run weaken the French Union's ability and determination to continue resistance in Indochina.

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